

## MINUTES

California Health Facilities Financing Authority  
("CHFFA")  
915 Capitol Mall, Room 587  
Sacramento, California 95814

### Alternate Location for CHFFA Teleconference Participation

Qiu Accountancy Corporation  
3580 Wilshire Blvd., Suite 1126  
Los Angeles, California 90010

June 14, 2013 – 1:00 P.M.

Deputy Treasurer Michael Paparian, serving as Chairman, called the meeting to order at 1:05 P.M.

#### Roll Call

Members Present: Michael Paparian for Bill Lockyer, State Treasurer  
Ruth Holton-Hodson for John Chiang, State Controller  
Jennifer Rockwell for Ana J. Matosantos, Director of Finance  
Jack Buckhorn  
Jay Hansen  
Samuel Qiu via Teleconference  
Judith Frank via Teleconference  
Ann Madden Rice\*

Member Absent: Dr. Oscar Sablan

Chairman Paparian declared a quorum present.

Barbara Liebert, Executive Director, announced Judith Frank had been reappointed as a CHFFA member by the Governor's Office.

#### **Item #2 Providence Health System – Southern California ("PHS – Southern California"), Los Angeles County, California, Resolution No. 392**

Paul Dulai, Staff Analyst, reported PHS – Southern California requested the Authority approve an amount not to exceed \$149,705,000 to refund a portion of the Providence Health & Services Series 2008C Fixed Rate Bonds. PHS – Southern California expects to achieve approximately \$9 million in net present value savings from the proposed refunding over the life of the bonds due to the lower anticipated interest rates.

Representing PHS – Southern California: Sue Painter, Vice President and Treasurer, PHS – Southern California; Mary Kimura, Bond Counsel, Sidley Austin; and via telephone Kenneth Vallrugo, Managing Director, Underwriter, Bank of America Merrill Lynch.

Staff recommended the Authority approve Resolution No. 392 in an amount not to exceed \$149,705,000, subject to the conditions in the resolution including a rating of at least investment grade by a nationally recognized rating agency. Macias Gini & O'Connell, LLP, the Authority's financial analyst, and Public Financial Management, Inc., the Authority's financial advisor, concurred with the Authority's staff recommendation.

Chairman Paparian asked if there were any questions or public comment. Hearing none, Ms. Rockwell moved approval of Resolution No. 392 and Ms. Holton-Hodson seconded the motion. The motion was adopted with a 7-0 roll call vote.

\*Mrs. Rice joined the Authority meeting at 1:15 P.M.

**Item #3** **Amendment to Resolution No. 2012-07 Authorizing the Execution of an Amended Interagency Agreement with the State Treasurer’s Office (“STO”) in an Amount Not to Exceed \$299,928 for the Fiscal Year 2012/2013**

Bianca Smith, Staff Analyst, requested the Authority authorize an Amendment to Resolution No. 2012-07 which provides administrative services, including accounting, budgeting, data processing, personnel and business services to the Authority for the Fiscal Year 2012-2013. The amendment increased the original approved amount from \$291,635 to \$299,928. The additional amount of \$8,293 represented CHFFA’s pro-rata share of a software upgrade integrated into the STO’s existing FileNet Management System. The software upgrade accounted for an increase of approximately 2.84% in the original approved amount for administrative services provided by the STO to the Authority.

Staff recommended approval of the proposed amendment to the Interagency Agreement.

Chairman Paparian asked if there were any questions or public comment. Hearing none, Mr. Hansen moved approval of Amendment to Resolution No. 2012-07 and Ms. Holton-Hodson seconded the motion. The motion was adopted with an 8-0 roll call vote.

**Item #4** **Annual Tax-Exempt Bond Fee Reduction Analysis**

Ms. Liebert presented the tax-exempt bond fee reduction analysis. At the March 29, 2012 meeting, the Authority approved various reductions for the tax-exempt bond program including, (1) elimination of the application fee of \$500, (2) reduction of the initial fee from .075% to .05% of the aggregate amount of the issue, (3) reduction of the initial fee cap from \$300,000 to \$100,000, (4) reduction of the annual administration fee from .02% to .0175% of bonds outstanding, and (5) elimination of the resolution renewal fee of \$500. Staff’s review concluded the fee reductions had been appropriate and did not have a negative impact on the Authority’s fund balance.

Staff agreed to come back before the Authority annually for a yearly review to reassess and adjust fees where appropriate.

Sarah Hollenbeck and Nick Jones from Public Financial Management, Inc., the Authority’s financial advisor, were present and addressed questions from the Authority.

**Item #5** **Other Business**

Chairman Paparian further asked for public comment, hearing none and with no additional business, the meeting was adjourned at 1:33 P.M.